

State of the City Address 2011

*Mayor Wasserman
City of Fremont*

I would like to thank the Fremont Chamber of Commerce for hosting today's State of the City Address.

As always, the Chamber has been a very good partner in helping the City through difficult times.

I also want to acknowledge the members of the City Council.

Vice Mayor Sue Chan
Councilmembers
Anu Natarajan
Bill Harrison
And
Dominic Dutra

This is a hardworking Council that is dedicated to facing the challenges that are in front of us.

Lastly, it's a pleasure to recognize City Manager Fred Diaz and his staff, who I also commend for the tough tasks they take on in a very difficult working climate, and yet produce such excellent results.

Working in difficult climates seems to be the new norm. We must be flexible and adjust accordingly.

In fact, this is a year of adjustment.

We will have to adjust to some conditions that we cannot control,

such as the closure of NUMMI,

the apparent end of redevelopment,

and now the purchase of the remaining NUMMI property by Union Pacific Railroad.

I will speak to each of these points in just a moment.

As our staff assembles next year's budget, the one thing I can tell you is it won't include any new programs or services, simply because we are not in a position to consider them.

With the help of an outside consultant, we have begun a strategic sustainability study to help us take a targeted look at our operations.

The goal is to evaluate how key services are currently delivered, as well as compare Fremont's operations to other municipal best practices and recommend less costly alternatives to the City's current models.

We already know a critical element of next year's budget is the adjustments to our employees' total compensation as it relates to retirement, health care, and alternative forms of service delivery.

We are just starting negotiations with our bargaining units, so I cannot comment on any details, other than to say for the first time in the history of the City, we will be looking at take backs.

We simply must find ways to make the City sustainable.

The pension system has become unaffordable, and our health care liabilities are more than we can handle.

We have a great group of employees who work hard and take on additional tasks as things get worse.

We're hopeful they will be a part of the effort to right the ship.

And along with internal adjustments, there will be some external ones as well.

The closure of the NUMMI plant is a perfect example of how Fremont adapts to changing market conditions.

Though the plant's closure appeared to represent the end of an era of auto manufacturing in California,

we were thrilled to learn of Tesla Motor's announcement to purchase the plant.

They plan to build their new electric Model S Sedan at the “Tesla Factory” with production beginning in 2012 and have plans to manufacture future vehicles there as well.

Even before we knew about Tesla’s plans, we had already applied for and received a \$333,000 dollar grant from the Economic Development Administration to study the land use of the former NUMMI site and the surrounding 850 acre area.

The study is currently in progress, although we will make adjustments along the way to take into account

Union Pacific’s surprise announcement that it has purchased the vacant parcels surrounding the Tesla Factory.

We are not sure what will happen next with those 160 acres.

A preliminary statement by Union Pacific suggested they would use the land to provide freight rail service. That, of course, would have a great impact on what we can expect to happen on nearby property.

We have reached out to the Railroad to try and work together. We want to meet their needs as well as our own with the development of this land.

And most of all, we want to work with them to maximize the potential of this very important piece of land.

And one more curve ball to note.

It appears quite possible that redevelopment will be eliminated by the Governor in the next few months.

Redevelopment over the years has allowed us to add important infrastructure like freeway interchanges and overpasses that have helped our economic development efforts, as well as high quality affordable housing for some of the lower income members of our community.

It has also added public amenities like pedestrian access ways and open space

like the Niles Town Plaza.

We along with others,
oppose the removal of redevelopment
and are looking for a workable alternative.

Now for some good news.

Once again, our violent crime rate is down and we're still one of the safest large cities in the Bay Area.

And in spite of the coldest summer in over 40 years and a sluggish economy, the waterpark covered 100 percent of its operating costs through entrance fees and sales with no General Fund subsidy.

More than 70,000 people enjoyed the waterpark last season and our season pass sales increased 12 percent over the 2009 figures.

Another increase, which is no surprise,

is one of the most diverse cities in America just got more diverse, according to the recently released 2010 census data.

That data shows Fremont's population is 50.3 percent Asian.

It's certainly wonderful to celebrate the rich colorful fabric of our community.

We are also celebrating some recent grants received by our Human Services Department.

This department relies heavily on donations and grants in order to offer such a wide range of programs and services to the Fremont community as well as the Tri-City area.

I salute our staff who works so diligently to apply for and win these grants, and for also running exemplary programs that tend to attract grant makers.

The first noteworthy grant came from Toyota in the amount of \$100,000 dollars to the Fremont Family Resource Center.

This center is comprised of 25 State, County, City and nonprofit agencies that

provide a variety of valuable services.

The grant funds offer further assistance and training at the NUMMI Re-Employment Center.

We are also grateful for the \$15,000 dollar contribution received from Citi, who is a leader in global banking.

Their donation supports this year's free volunteer income tax assistance program commonly known as V-I-T-A, which helps low- to moderate-income individuals and families prepare their tax returns.

Over the past eight years, volunteers have helped prepare over 8,000 tax returns, resulting in \$11.9 million dollars being returned to families in our community.

Now that's a great return on investment!

And we have some good business news.

Fremont continues to be featured prominently as the ideal location for emerging technologies.

The city is home to a thriving clean technology cluster

of over 20 companies, including some industry leaders and exciting, promising start-ups noted on this slide.

I'd like to recognize Purfresh, who earlier this month received the "Most Promising Innovation Award" at the annual Cleantech Forum in San Francisco.

And on another business note, CentroSolar opened their distribution center in Fremont.

One of our top priorities is marketing the city's appeal as a home to innovative technology clusters within the region.

In addition to developing new marketing materials,

which we've left for you on your seat,
and participating in numerous industry trade shows,
Fremont was highlighted at the 2010 Conference of the International City and
County Management Association held in San Jose.

They produced a 5-minute video entitled,
"Clean, Green and Ready for the Future,"
that showcases Fremont and our role as a home to emerging technology
companies.

It's a great video that we're using to market Fremont to potential new businesses.
But, don't take my word for it.
Have a look for yourself.

(Play Video)

Wasn't that great?
I especially love the fact that Fremont is positioned as an emerging clean
technology center.

We also continue to be a major recipient of venture capital.

In 2008, Fremont companies received \$528 million dollars in venture capital
investment and another \$526 million dollars in 2009.

Our share in 2009 represented half of all VC investment in the East Bay.

And in 2010, we have received nearly \$200 million dollars.

In terms of investment, the top performing industries included semiconductors,
industrial and energy, software, and medical device equipment.

And in our commercial sector, there's some great news at Pacific Commons, our
successful regional shopping center.

At a time when businesses are as likely to close as they are to open, we have
done well this year.

Any Mountain sporting goods opened in time for the ski season, and the KIA Nissan dealership recently opened.

And the best news of the day is fulfillment of a promise.

Nordstrom has arrived,

Rack that is.

Nordstrom Rack will be a big boost to Fremont's economy, along with a soon to come

16-screen theater, Target store, and Toys R Us and Babies R Us.

This will form a cluster of businesses that are sure to be a big draw within the region.

And serve as a magnet to draw more businesses.

This 321 thousand square foot addition will be called "the Block" at Pacific Commons, and will include smaller stores and restaurants as well.

And in central Fremont, a Community Plan for a revitalized downtown Fremont is well under way.

We expect the plan to be completed in the next six months.

There is already a controversy on the name for it. While some people prefer the name Midtown, others have strong reactions and would prefer to call it Downtown or even Civic Center.

Let's hope we have a great success so we'll have something to debate.

We are currently studying land uses and design parameters as well as fiscal impacts.

We want to spur development of a transit and pedestrian-oriented urban district bounded by Mowry, Fremont Boulevard, Walnut, and Paseo Padre.

And now to the City's General Plan Update, which guides our land use decisions.

I am happy to report that the Draft General Plan was finally released this past November.

As part of our General Plan, we developed a vision statement

where sustainability is the overarching theme for our decisions.

Specifically, Fremont will serve as a national model of how an auto-oriented suburb can evolve into a sustainable, strategically urban, modern city.

Most of you have been to the gas pumps recently and you'll understand there's a great need to transition away from reliance on the automobile. In this General Plan Update, there's more emphasis on walking, cycling, and public transit for mobility.

We will focus future growth by creating transit areas.

We also added a new park category of "linear parks" along utility and railroad rights-of-way, as well as a "Community Character" element, which focuses on building and street design, historic preservation, and public art. All of this with the goal of creating memorable places.

As part of the General Plan Update, we released a beautiful Vision Book.

I'm really proud of this book produced by our staff. The Vision Book touches upon the concepts of what Fremont can be in the next 20 years and covers all of these elements.

As a way of saying "thank you" for their role in developing the vision, I'd like to present a copy of our Vision Book to the Fremont Chamber of Commerce.

Would Chamber President Cindy Bonier please come up and accept the book on behalf of the Chamber.

(Cindy comes to the stage)

Thank you for being our partner in working toward Fremont's vision.

(Give the book to Cindy.)

Along with the General Plan, we will be adopting a Climate Action Plan.

Ultimately by 2020, we want to reduce greenhouse emissions by 25 percent compared to our 2005 levels.

The State will need to step in and help us reach this goal through legislation since the City cannot do this alone.

Our overall success will depend upon active participation of residents and businesses alike.

Meanwhile, the Council also adopted some new ordinances over the past couple of years that support our sustainability efforts,

including one that mandates recycling of construction and demolition debris and

one that prohibits the use of expanded polystyrene food containers more commonly known as Styrofoam.

And our green building standards for residential development are now more stringent than the State building codes.

And forthcoming will be an ordinance that bans plastic bags.

We worked with the Chamber, businesses, and the development community to get input before acting on these ordinances.

And now on to the always relevant topic of transportation.

One particularly exciting plan is for the reconfiguration of Fremont Boulevard in the Centerville District.

We are excited about transforming Fremont Boulevard into a walkable, enjoyable place where people can stroll.

And in time, we'd like to see a trolley car or some other enhanced public transit that would link Centerville with Irvington and other locations in the city. Yet like so many other things, this effort could be negatively affected if redevelopment goes away.

One thing that's not going away is BART to Warm Springs.

Construction began on the 5.4-mile extension over a year ago and all is going according to plan.

The current contract is building the subway box under Central Park and Lake Elizabeth as well as under Stevenson Boulevard to the north and the Union Pacific Railroad tracks to the south of the park.

What you're looking at in this photo is the subway box where the BART trains will travel under the park.
This is before they pour the concrete roof and fill in dirt above so the park can be restored.

BART is on schedule to complete the subway work in early 2013.

If all goes well, trains should be running to the new Fremont / Warm Springs station by mid- two thousand fifteen.

And where will BART go after that?

South of Warm Springs Station,
real progress is being made on the 10-mile Extension,
which travels through Milpitas to North San Jose.

The Santa Clara Valley Transportation Authority,
also known as VTA,
will be building this extension and BART will operate and maintain it.

In preparation, VTA is partnering with the City of Fremont on two grade separations at Warren Avenue and Kato Road.

Work on the Kato Grade Separation is scheduled to begin by fall and Warren construction should start next year.

Construction on the Berryessa Extension is scheduled to begin in early 2012, and will include two stations,
one in Milpitas,
with a direct connection to VTA light rail,
and one in the Berryessa area of north San Jose.

If all stays on track, passenger service should begin in 2018.

We had planned to use redevelopment funds to pay for the new Irvington BART station,
but that may not be possible.

We will continue looking for ways to fund it,

and I am confident we will,
although there could be some delays and adjustments.

And now,

as I look in the rearview mirror and close this year's State of the City Address,

all in all,
it has been a

topsy turvy year.

We've experienced some heartbreaking disappointments coupled with some encouraging commercial advances.

But the bottom line is my comments at the beginning.

It's a year of adjustment.

We know that we have to do some unpleasant things to make the City sustainable.

We cannot continue to have our sole accomplishment for a year be a balanced budget with no reserves, no ability to improve the city, and only an ability to "hang on."

We need to get past that,

and we will.

We need to bring our expenses, such as pension and health care costs into affordable systems.

In our favor, we have an exceptional group of employees who work in a marvelous city and who have always shown great dedication and devotion for the City.

That's very important because at the end of the day, if we have nothing else, we have each other.

Thank you.

I will now open it up for questions.